

DEPARTMENTAL OFFICES
Salaries and Expenses

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	191,914	1,086
CHANGES PROPOSED FOR FY 2004		
• Program Changes	---	---
• Adjustments for Mandatory Cost Increases	5,668	---
• Program Annualizations	239	---
• Transfers under the Homeland Security Act of 2002	-30,500	-226
• Transfer to FinCEN	-446	---
TOTAL FY 2004 CHANGES	-25,039	-226
FY 2004 PRESIDENT'S BUDGET	166,875	860

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: No funds requested (\$0 and 0 FTE).	---	---
Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$924 and 0 FTE); 2) the proposed January 2004 pay raise (\$2,535 and 0 FTE); 3) other labor related benefits (\$344 and 0 FTE); 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$1,865 and 0 FTE).	5,668	---
Program Annualization: Funds are requested for completing the full- year cost and FTE realization of positions from prior year.	239	---
Transfer: Reflects the transfer of the Office of Enforcement's Policies and Programs funding and personnel to the Department of Homeland Security under the Homeland Security Act (P.L 107-296) (-\$28,000 and -226 FTE) and funding to the Department of Justice (-\$2,500 and 0 FTE).	-30,500	-226
Transfer: Reflects the transfer of funding to FinCEN to continue activities related to intelligence support of terrorist financing (-\$446 and 0 FTE).	-446	---

DEPARTMENTAL OFFICES
Treasury Building and Annex Repair and Restoration

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	32,932	10
CHANGES PROPOSED FOR FY 2004		
• Reductions, Non-Recurring Cost, and Savings.	-7,932	- - -
TOTAL FY 2004 CHANGES	-7,932	- - -
FY 2004 PRESIDENT'S BUDGET	25,000	10

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Reductions, Non-Recurring Cost, and Savings: Non-recurring costs associated with maintaining the Treasury Building and Annex Repair and Restoration (TBARR) (\$-7,932 and 0 FTE).	-7,932	- - -

DEPARTMENTAL OFFICES
Air Transportation Stabilization Program

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	6,041	8
CHANGES PROPOSED FOR FY 2004		
• Reductions, Non-Recurring Cost, and Savings.	-3,503	- - -
TOTAL FY 2004 CHANGES	-3,503	-2
• FY 2004 PRESIDENT'S BUDGET	2,538	6

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Reductions, Non-Recurring Cost, and Savings: Non-recurring costs associated with operating the Air transportation Stabilization Program (\$-3,503 and -2 FTE).	-3,503	-2

DEPARTMENTAL OFFICES
Expanded Access to Financial Services

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	2,000	3
CHANGES PROPOSED FOR FY 2004		
• Program Changes	-2,000	-1
TOTAL FY 2004 CHANGES	-2,000	-1
FY 2004 PRESIDENT'S BUDGET	\$- - -	2

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: No funding is requested for the Expanded Access to Financial Services program (\$-2,000 and -1 FTE).	-2,000	-1

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	68,828	---
CHANGES PROPOSED FOR FY 2004		
• Transfer of Integrated (Wireless) Treasury (ITN) Network to Department of Homeland Security	-31,900	---
TOTAL FY 2004 CHANGES	-31,900	
FY 2004 PRESIDENT'S BUDGET	36,928	---

Highlights of FY 2004 Budget Changes

Transfer: It is proposed in FY 2004 to transfer the Integrated Treasury Network (ITN) program to the Department of Homeland Security (-\$31,900 and 0 FTE). Funding requirements in FY 2004 for the remaining programs in the Department-Wide Systems and Capital Investment Program are projected to be \$36,928,000 reflecting a level budget from FY 2003.

	Amount (\$000s)	Direct FTE
	-31,900	---

FY 2004 DSCIP Request by Project

	<i>FY 2003</i>	<i>FY 2004</i>
<i>HR Connect</i>	25,751	25,989
<i>Treasury Architecture</i>	200	200
<i>Integrated Treasury Network</i>	31,935	0
<i>Treasury-wide Critical Infrastructure</i>	8,993	8,993
<i>Treasury Back-up/Disaster Recovery</i>	1,746	1,746
<i>Treasury Assets Management Info. System</i>	<u>203</u>	<u>000</u>
Total	68,828	36,928

INSPECTOR GENERAL FOR TREASURY

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	159,390	1,229
CHANGES PROPOSED FOR FY 2004		
• Program Changes	-3,836	-47
• Transfer Out to Department of Homeland Security (DHS).....	-19,632	-155
• Transfer Out to Department of Justice (DOJ)	-4,939	-40
• Adjustments for Mandatory Cost Increases.....	3,966	---
• Program Annualizations.....	---	---
TOTAL FY 2004 CHANGES	-24,441	-242
FY 2004 PRESIDENT'S BUDGET	134,949	987

Highlights of FY 2004 Budget Changes

Program Changes: The increased costs associated of pay and general inflation are requested to be absorbed through a reduction in staffing in the Office of Audit and the Office of Investigations (-\$3,836 and -47 FTE).

-3,836 -47

Transfer: This adjustment represents the transfer of resources associated with those components previously part of Treasury that are now part of the newly-created Department of Homeland Security (-\$19,632 and -155 FTE).

-19,632 -155

Transfer: This adjustment represents the transfer of resources associated with those components previously part of Treasury that are now part of the Department of Justice (-\$4,939 and -40 FTE).

-4,939 -40

Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$846 and 0 FTE); 2) the proposed January 2004 pay raise (\$1,894 and 0 FTE); 3) other labor related benefits (\$752 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$474 and 0 FTE).

3,966 ---

Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE).

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COUNTER-TERRORISM FUND

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	40,000	---
CHANGES PROPOSED FOR FY 2004		
• Transfers Out.	-40,000	---
TOTAL FY 2004 CHANGES.	-40,000	---
FY 2004 PRESIDENT'S BUDGET	---	---

The FY 2004 President's Budget proposes to transfer the Counter-Terrorism Fund to the Department of Homeland Security. Budgetary and performance information for this account can be obtained from the Department of Homeland Security.

FINANCIAL CRIMES ENFORCEMENT NETWORK

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	50,517	254
CHANGES PROPOSED FOR FY 2004		
• Program Changes	2,051	10
• Adjustments for Mandatory Cost Increases	2,205	---
• Program Annualizations	2,352	8
• Transfers In	446	5
• Reductions, Non-Recurring Costs, and Savings	---	---
TOTAL FY 2004 CHANGES	7,054	23
FY 2004 PRESIDENT'S BUDGET	57,571	277

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: Funds are requested for: 1) improving Government-wide Data Access Service (\$845 and 1 FTE); 2) maintaining current level of support for terrorist financing and money laundering related investigative support and meet USA Patriot Act mandates (\$1,206 and 9 FTE).	2,051	10
Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$193 and 0 FTE); 2) the proposed January 2004 pay raise (\$452 and 0 FTE); 3) other labor related benefits (\$94 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$1,466 and 0 FTE).	2,205	---
Program Annualizations: Funds are requested for: 1) completing the full-year cost and FTE realization of positions from prior year USA Patriot Act Initiative (\$1,002 and 8 FTE); 2) completing full-year cost from prior year for USA Patriot Act Section 314 Contract research staff (\$1,020 and 0 FTE); 3) continue expansion from prior year for Patriot Act Communications Systems Contract (\$330 and 0 FTE).	2,352	8
Transfer: Transfer previously reimbursable funding from Departmental Offices to continue activities related to intelligence support of terrorist financing (\$446 and 5 FTE).	446	5

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Pursuant to Public Law 107-296, The Homeland Security Act of 2002, the Federal Law Enforcement Training Center was transferred to the new Department of Homeland Security. FY 2004 budget and performance information regarding this bureau can be obtained from the Department of Homeland Security.

FINANCIAL MANAGEMENT SERVICE

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	220,712	1,818
CHANGES PROPOSED FOR FY 2004		
• Program Changes.	2,000	---
• Adjustments for Mandatory Cost Increases.	5,894	---
TOTAL FY 2004 CHANGES.	7,894	---
FY 2004 PRESIDENT'S BUDGET	228,606	1,818

Highlights of FY 2004 Budget Changes

Program Changes: Additional funding is needed to support the Indian Trust Fund Litigation reflecting FMS' increased court-ordered responsibilities (\$2,000 and 0 FTE). 2,000 ---

Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$1,117 and 0 FTE); 2) the proposed January 2004 pay raise (\$2,453 and 0 FTE); 3) other labor related benefits (\$907 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$1,417 and 0 FTE). 5,894 ---

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Pursuant to Public Law 107-296, The Homeland Security Act of 2002, the Alcohol, Tobacco, Firearms and Explosives portion of the Bureau of Alcohol, Tobacco and Firearms was transferred to the Department of Justice. This legislation also creates the Alcohol & Tobacco, Tax and Trade bureau that is retained within the Department of Treasury. Information regarding the portion of ATF that was transferred can be obtained from the Department of Justice. Information regarding the Alcohol and Tobacco Tax and Trade Bureau can be found on the following page.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	883,775	5,106
• Less Adjustment for Comparability with FY 2004 Request under Homeland Security Act	-803,775	-4,562
FY 2003 PRESIDENT'S BUDGET COMPARABLE WITH FY 2004 REQUEST	80,000	544
CHANGES PROPOSED FOR FY 2004	---	---
TOTAL FY 2004 CHANGES	---	---
FY 2004 PRESIDENT'S BUDGET	80,000	544

UNITED STATES CUSTOMS SERVICE

Pursuant to Public Law 107-296, The Homeland Security Act of 2002, the United States Customs Service was transferred to the new Department of Homeland Security. FY 2004 budget and performance information regarding this bureau can be obtained from the Department of Homeland Security.

BUREAU OF THE PUBLIC DEBT
Administering the Public Debt

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	191,119	1,478
CHANGES PROPOSED FOR FY 2004		
• Program Changes.....	-22,400	-145
• Adjustments for Mandatory Cost Increases.....	4,979	---
TOTAL FY 2004 CHANGES	-17,421	---
FY 2004 PRESIDENT'S BUDGET	173,698	1,333

Highlights of FY 2004 Budget Changes

Program Changes: Public Debt requests reduced resources devoted to the marketing of paper saving bonds. As a first step in the transition to an all electronic environment, Public Debt introduced its new *TreasuryDirect* system in October 2002, which will ultimately offer “one-stop shopping” for the full range of Treasury securities (\$-22,400 and -145 FTE).

Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$835 and 0 FTE); 2) the proposed January 2004 pay raise (\$1,785 and 0 FTE); 3) other labor related benefits (\$795 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$1,564 and 0 FTE).

INTERNAL REVENUE SERVICE
Summary

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	9,915,853	99,155
CHANGES PROPOSED FOR FY 2004		
• Program Changes	288,468	2,384
• Adjustments for Mandatory Cost Increases.....	267,220	---
• Program Annualizations	---	---
• Reinvestment of Freed-Up Resources	166,471	649
• Reductions, Non-Recurring Costs, and Savings (Reengineering).....	-201,471	-2,145
TOTAL FY 2004 CHANGES	520,688	888
FY 2004 PRESIDENT'S BUDGET	10,436,541	100,043

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: Funds are requested for: 1) Processing, Assistance and Management (\$22,806 and 135 FTE); 2) Tax Law Enforcement (\$109,828 and 1,599 FTE); 3) Information Systems (\$6,834 and 0 FTE); 4) Business Systems Modernization (\$49,000 and 0 FTE; and 5) Earned Income Tax Credit (\$100,000 and 650 FTE)	288,468	2,384
Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$56,983 and 0 FTE); 2) the proposed January 2004 pay raise (\$121,210 and 0 FTE); 3) other labor related benefits (\$47,850 and 0 FTE); and 4) non-labor related items (\$41,177 and 0 FTE).	267,220	---
Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE).	---	---
Reinvestment of Freed-Up Resources: Savings through productivity gains etc., will be reapplied to 1) Processing, Assistance and Management (\$67,899 and 453 FTE); 2) Tax Law Enforcement (\$57,587 and 196 FTE); 3) Information Systems (\$40,013 and 0 FTE); and 4) Earned Income Tax Credit (\$972 and 0 FTE).	166,471	649
Reductions, Non-Recurring Costs, and Savings (Re-Engineering): The IRS will reapply internal productivity growth and other savings from 1) Processing, Assistance and Management (-\$80,001 and -1,427 FTE); 2) Tax Law Enforcement (-\$40,085 and -670 FTE); 3) Information Systems (-\$45,839 and -39 FTE); 4) Earned Income Tax Credit (-\$546 and -9 FTE); and Health Insurance Tax Credit Administration (-\$35,000 and 0 FTE).	-201,471	-2,145

INTERNAL REVENUE SERVICE
Processing, Administration and Management

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	3,958,337	43,246
CHANGES PROPOSED FOR FY 2004		
• Program Changes	22,806	135
• Adjustments for Mandatory Cost Increases.....	105,653	---
• Program Annualizations	---	---
• Reinvestment of Freed-Up Resources	67,899	453
• Reductions, Non-Recurring Costs, and Savings (Reengineering).	-80,001	-1,427
TOTAL FY 2004 CHANGES	116,357	-839
FY 2004 PRESIDENT'S BUDGET	4,074,694	42,407

Highlights of FY 2004 Budget Changes

Program Changes: Funds are requested for: 1) compliance cost increases and initiatives (\$21,766 and 125 FTE); 2) customer service enhancements (\$696 and 10 FTE); and 3) counterterrorism measures (\$344 and 0 FTE). 22,806 135

Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$21,019 and 0 FTE); 2) the proposed January 2004 pay raise (\$44,710 and 0 FTE); 3) other labor related benefits (\$17,794 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$22,130 and 0 FTE). 105,653 ---

Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE). --- ---

Reinvestment of Freed-Up Resources: Savings generated through productivity gains etc., will be reapplied to expand compliance strategies and customer service (\$50,671 and 441 FTE); to fund increased internal services and support costs (\$11,228 and 12 FTE); and to promote efforts that will improve employee satisfaction (\$6,000 and 0 FTE). 67,899 453

Reductions, Non-Recurring Costs, and Savings (Re-Engineering): -80,001 -1,427
The IRS proposes to make resources available for reapplication through internal productivity growth and other savings in the PAM appropriation (-\$80,001 and -1,427 FTE).

INTERNAL REVENUE SERVICE
Tax Law Enforcement

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	3,729,072	45,531
CHANGES PROPOSED FOR FY 2004		
• Program Changes	109,828	1,599
• Adjustments for Mandatory Cost Increases	120,239	---
• Program Annualizations	---	---
• Reinvestment of Freed-Up Resources	57,587	196
• Reductions, Non-Recurring Costs, and Savings (Reengineering)	-40,085	-670
TOTAL FY 2004 CHANGES	247,569	1,125
FY 2004 PRESIDENT'S BUDGET	3,976,641	46,656

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: Funds are requested for: 1) Compliance initiatives and workload increases (\$104,502 and 1,575 FTE); and 2) increased Counterterrorism activities of the Criminal Investigation business unit (\$5,326 and 24 FTE).	109,828	1,599
Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$29,134 and 0 FTE); 2) the proposed January 2004 pay raise (\$61,972 and 0 FTE); 3) other labor related benefits (\$24,433 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$4,700 and 0 FTE).	120,239	---
Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE).	---	---
Reinvestment of Freed-Up Resources: Savings generated through productivity gains, etc., will be reapplied to expand compliance strategies and customer service (\$57,587 and 196 FTE).	57,587	196
Reductions, Non-Recurring Costs, and Savings (Re-Engineering): Resources will be made available through improved work processes in 1) Compliance Support (-\$20,585 and -394 FTE); 2) in Filing Compliance through Enhanced Call Router and through re-engineering in the Service Center Collection Branch (-\$3,600 and -67 FTE); and 3) through other cost saving measures (-\$15,900 and -209 FTE).	-40,085	-670

INTERNAL REVENUE SERVICE
Information Systems

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	1,632,444	8,025
CHANGES PROPOSED FOR FY 2004		
• Program Changes	6,834	---
• Adjustments for Mandatory Cost Increases	36,587	---
• Program Annualizations	---	---
• Reinvestment of Freed-Up Resources	40,013	---
• Reductions, Non-Recurring Costs, and Savings	-45,839	-39
TOTAL FY 2004 CHANGES	37,595	-39
FY 2004 PRESIDENT'S BUDGET	1,670,039	7,986

Amount (\$000s)	Direct FTE
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Highlights of FY 2004 Budget Changes

Program Changes: Funds are requested to support Compliance Customer Service and Counterterrorism IS initiatives (\$6,834 and 0 FTE). 6,834 ---

Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$5,709 and 0 FTE); 2) the proposed January 2004 pay raise (\$12,144 and 0 FTE); 3) other labor related benefits (\$4,633 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$14,101 and 0 FTE). 36,587 ---

Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE). --- ---

Reinvestment of Freed-Up Resources: Efficiencies achieved in IS and associated reduced costs, will allow the IRS to reinvest these savings 1) in Internal Services and Support mainly to expand VPN service, replace Tier III hardware, and expand web services for taxpayers and employees (\$32,613 and 0 FTE); and 2) in necessary corporate expenses such as media and publications (\$7,400 and 0 FTE). 40,013 ---

Reductions, Non-Recurring Costs, and Savings (Re-Engineering): Resources will be made available service-wide through 1) workload decreases (-\$26,239 and -39 FTE); 2) reduced operations and maintenance costs in various activities and lower contract support (-\$17,800 and 0 FTE); and 3) through redesigned internal processes and procedures in Compliance and Customer Service (-\$1,800 and 0 FTE). -45,839 -39

***INTERNAL REVENUE SERVICE
Business Systems Modernization***

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET (as amended)	380,000	---
CHANGES PROPOSED FOR FY 2004		
• Program Changes	49,000	---
• Adjustments for Mandatory Cost Increases.....	---	---
• Program Annualizations.....	---	---
• Reinvestment of Freed-Up Resources.....	---	---
• Reductions, Non-Recurring Costs, and Savings (Reengineering).	---	---
TOTAL FY 2004 CHANGES	49,000	---
FY 2004 PRESIDENT'S BUDGET	429,000	---

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: Funds are needed to continue the prime contract, as well as accommodate equipment and software costs required to achieve BSM's goal of improving speed, timeliness and accuracy of IRS' interactions with taxpayers (\$49,000 and 0 FTE). These requirements reflect a thorough business process reengineering effort.	49,000	---
Adjustments for Mandatory Cost Increases: None needed for capital acquisitions (\$0 and 0FTE).	---	---
Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE).	---	---
Reinvestment of Freed-Up Resources: None requested (\$0 and 0FTE).	---	---
Reductions, Non-Recurring Costs, and Savings (Re-Engineering): None requested (\$0 and 0FTE).	---	---

INTERNAL REVENUE SERVICE
Earned Income Tax Credit

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	146,000	2,353
CHANGES PROPOSED FOR FY 2004		
• Program Changes	100,000	650
• Adjustments for Mandatory Cost Increases.....	4,741	---
• Program Annualizations	---	---
• Reinvestment of Freed-Up Resources	972	---
• Reductions, Non-Recurring Costs, and Savings (Re-Engineering)	-546	-9
TOTAL FY 2004 CHANGES	105,167	641
FY 2004 PRESIDENT'S BUDGET	251,167	2,994

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: Funds are requested to provide the first installment towards the implementation of the EITC Task Force recommendations (\$100,000 and 650 FTE). These funds will be used to address errors resulting from EITC overclaims.	100,000	650
Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$1,121 and 0 FTE); 2) the proposed January 2004 pay raise (\$2,384 and 0 FTE); 3) other labor related benefits (\$990 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$246 and 0 FTE).	4,741	---
Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE).	---	---
Reinvestment of Freed-Up Resources: Savings generated through productivity gains etc., will be reapplied to accommodate the increased corporate costs of administering the EITC program (\$972 and 9 FTE).	972	---
Reductions, Non-Recurring Costs, and Savings (Re-Engineering): The IRS proposes to make resources available for replication through internally generated savings in the EITC appropriation (-\$546 and -9 FTE).	-546	-9

INTERNAL REVENUE SERVICE
Health Insurance Tax Credit Administration

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET (as amended)	70,000	---
CHANGES PROPOSED FOR FY 2004		
• Program Changes	---	---
• Adjustments for Mandatory Cost Increases.....	---	---
• Program Annualizations	---	---
• Transfers In	---	---
• Reductions, Non-Recurring Costs, and Savings	-35,000	---
TOTAL FY 2004 CHANGES	-35,000	---
FY 2004 PRESIDENT'S BUDGET	35,000	---

Highlights of FY 2004 Budget Changes

	Amount (\$000s)	Direct FTE
Program Changes: None made available (\$0 and 0 FTE).	---	---
Adjustments for Mandatory Cost Increases: None required (\$0 and 0 FTE).	---	---
Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$0 and 0 FTE).	---	---
Reinvestment of Freed-Up Resources: None required (\$0 and 0 FTE).	---	---
Reductions, Non-Recurring Costs, and Savings (Re-Engineering): Reduced funding is needed for the contract operation of the Advanced Payment Option system purchased in FY 2003 pursuant to the amended FY 2003 President's Budget. FY 2003 funds provide for development of the system projected to be in service by August 1, 2003 (-\$35,000 and 0 FTE).	-35,000	---

UNITED STATES SECRET SERVICE

Pursuant to Public Law 107-296, The Homeland Security Act of 2002, the United States Secret Service was transferred to the new Department of Homeland Security. FY 2004 budget and performance information for this bureau can be obtained from the Department of Homeland Security.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	107,576	---
CHANGES PROPOSED FOR FY 2004		
• Transfers Out.	-107,576	---
TOTAL FY 2004 CHANGES.	-107,576	---
FY 2004 PRESIDENT'S BUDGET	---	---

The FY 2004 President's Budget proposes to transfer the Interagency Crime and Drug Enforcement (ICDE) account to the Department of Justice. Budgetary and performance information for this account can be obtained from the Department of Justice.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

	Amount (\$000s)	Direct FTE
FY 2003 PRESIDENT'S BUDGET	68,000	68
CHANGES PROPOSED FOR FY 2004		
• Program Changes.	-17,249	3
• Adjustments for Mandatory Cost Increases.	249	---
• TOTAL FY 2004 CHANGES.	-17,000	3
FY 2004 PRESIDENT'S BUDGET	51,000	71

Highlights of FY 2004 Budget Changes

Program Changes: Reductions totaling \$17,249 are requested for this Budget Activity in the following areas: Financial Assistance (-\$6,000 and 0 FTE); Technical Assistance (-\$4,000 and 0 FTE); and Bank Enterprise Award Program (-\$9,000 and 0 FTE). These decreases are partially offset by an increase in administrative costs (\$1,751 and 3 FTE).

-17,249 3

Adjustments for Mandatory Cost Increases: Funds are requested for: 1) FY 2004 cost of January 2003 pay increase (\$48 and 0 FTE); 2) the proposed January 2004 pay raise (\$110 and 0 FTE); 3) other labor related benefits (\$16 and 0 FTE); and 4) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$75 and 0 FTE).

249 ---